

Relocation Policy
Los Alamos National Security, LLC

February 2006

LONG TERM ASSIGNMENTS

Assignments anticipated to be 12 months or more in duration.

Long Term Assignment: This policy, is designed to be in accordance with the Federal Acquisition Regulation (FAR), applies to employees authorized to receive relocation expenses in the performance of work for, or on behalf of, Los Alamos National Security, LLC (LANS).

Distant Requirement Applicable to All items: The move must be incident to a change in workplace where the distance from the old residence to the new workplace is at least 50 miles greater than from the old residence to the old workplace.

LONG TERM ASSIGNMENTS

- 1.1 House-Hunting
- 1.2 En Route Expenses
- 1.3 Shipment/Temporary Storage of Household Effects
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- 1.5 Settling-In
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EXHIBIT A - APPROVED RATES AND ALLOWANCES – Long Term

EXHIBIT B - APPROVED RATES AND ALLOWANCES – Long Term

(Sale of Principal Residence, Duplicate Homeowners, and Purchase of a New Residence)

1.1 HOUSE HUNTING

- a) Costs of finding a new home, such as an advance trip by a current or newly recruited employee (including college hire) and spouse or registered domestic partner, to locate living quarters is reimbursable as detailed in 1.1 b and c below.
- b) Reimbursement for lodging, meals, and incidental expenses is authorized for employee and spouse or registered domestic partner up to a combined maximum period of 10 days (See Exhibit A for per diem percentage amounts). Auto rental expenses are reimbursed; however, mileage and gasoline are not reimbursed. Per Diem for lodging and M&IE will be based on assignment location maximum per diem rates.
- c) Separate economy class airfare round trips by the employee and spouse or registered domestic partner may be authorized. A round trip performed by the employee for this purpose must be accomplished before reporting to the new assignment location. A round trip by the spouse or registered domestic partner may be accomplished at any time before relocation of the family to the new location but not after 2 years from the effective date of the employee's transfer.

1.2 EN ROUTE EXPENSES

See Exhibit A for rates and allowances

- a) Travel via Public Carrier: Reimbursement for transportation via public carrier may not exceed the cost of economy class airfare. Costs in excess of economy class airfare may be allowable where they result in other unreasonable circumstances or do not reasonably meet travel needs.

- b) Travel via Privately Owned Vehicle: The cost for en route travel via privately owned vehicle, including mileage, lodging, meals and incidental expenses, will be reimbursed. Private vehicle mileage will be reimbursed at an approved IRS rate per mile. Travel time is calculated at an average of **300** miles/day.
- c) Mileage determinations are based on mileage between the authorized points of travel as listed in the Rand-McNally standard distance charts. Travel time is calculated at an average of **300** miles/travel day.
- d) If both privately owned vehicles are driven, mileage will be reimbursed at the IRS approved mileage rate for the first vehicle, and the reduced mileage rate for the second vehicle. If one vehicle is shipped and the other driven, costs for the shipped vehicle will be in accordance with section 1.4 a), and the vehicle driven will be reimbursed at the IRS approved mileage rate.
- e) Reimbursement of toll charges is allowed over and above the mileage allowances.
- f) Reimbursement for Long Term Assignment En Route lodging, meals and incidental expenses will be in accordance with Lodging plus Per Diem methodology, and will not exceed the maximum percentage of the **standard CONUS** rate specified for the employee and each eligible family member. Further, they will be paid on the basis of actual number of days used to complete the trip, not to exceed the number of days computed on the basis of the **300** mile minimum driving distance per day.

1.3 SHIPMENT/TEMPORARY STORAGE OF HOUSEHOLD EFFECTS

SEE EXHIBIT A for rates and allowances

- a) There is a maximum limit to the weight of household goods that may be transported or stored and a limit on the time allowed for temporary storage in connection with the shipment. Property may be moved from more than one location as long as the cost of moving the differently located effects does not exceed the cost of shipping the property in one lot from the last assignment location to the new assignment location via the most economical route.
- b) Costs for the loading/shipment/unloading of unusually bulky or expendable items will not be reimbursed. See Exhibit B for examples.
- c) Insurance: Household goods shipped and stored in the U.S. will be insured for full replacement value up to a set maximum amount of **\$10 per lbs.** Insurance coverage above this value will be the responsibility of the employee.
- d) Technical Resources: Items such as professional and/or technical books or tools required for job assignments do not have to be included in the shipment of personal and household effects. Personally owned professional books, papers, and equipment required for job assignments may be transported to the new long term assignment as an administrative expense.

1.4 SHIPMENT OF AUTOS, HOUSE TRAILERS, AND MOBILE HOMES

SEE EXHIBIT A for rates and allowances

- a) All necessary and customary expenses directly related to the shipment by freight forwarder of **two** privately owned vehicles will be reimbursed for both vehicles with the following limitations:
 - 1) Vehicle must be a passenger automobile, station wagon, small truck, or other similar vehicle that will be used primarily for personal transportation.
 - 2) Vehicles must be in operating condition. (Shipment of antique automobiles is not authorized regardless of operating condition.)
 - 3) Assignment location must be more than **500** miles from point-of-departure.
 - 4) No reimbursement will be made for storage charges at point of origin or destination.
- b) Current or newly recruited employees (including college hires) who elect to drive one vehicle, and ship a second vehicle will be reimbursed at the IRS approved mileage rate for the vehicle driven, and for all necessary and customary expenses directly related to the shipment of second vehicle, subject to the limitations in section 1.4(a) above.
- c) Costs for the shipment of a mobile home, moved by the employee or commercial carrier and used as the principal residence, will be reimbursed. The employee is responsible for the cost of insurance for valuation of the mobile home above the carriers' maximum liability, or charges designated in the tariffs as "Special Service". Shipment of household effects may also be included in this allowance, but total combined reimbursement of costs for the shipment of household effects and shipment of a mobile home, is limited to the cost of shipment of 18,000 pounds of household effects (see Section 1.3). This allowance replaces the shipment and storage of household effects. When a privately owned vehicle moves a mobile home, an additional mileage allowance will be paid as reimbursement for the transportation costs. A mileage allowance for the privately owned vehicle will also be paid.

Costs for preparing the mobile home for movement and resettling it at the destination location will also be authorized.

- d) Necessary and customary expenses directly related to the transportation of a privately owned vehicle by sea may be allowed, based on specific authorized circumstances. These expenses would include items applicable only to sea shipments such as, crating and packing expenses, shipping charges, and port charges for readying the vehicle for shipment at port of embarkation and for use at port of debarkation.

1.5 SETTLING-IN

SEE EXHIBIT A for limits and examples of covered costs

- a) Pre-departure: Up to 3 days may be used at the location from which an employee departs. Settling-in will be reduced by the number of days used for pre-departure.
- b) Reimbursement for Long Term Assignment Settling-In lodging, meals and incidentals will be in accordance with Lodging plus Per Diem methodology.
- c) Temporary lodging during settling-in is limited to combined cumulative totals of **60** days for employees and **45** days for spouses or registered domestic partners and dependents, including pre-departure time.
- d) Reimbursement for lodging, meals and incidental expenses will end when permanent* lodging is obtained, or after the first 60/45 days, whichever occurs first. Per Diem for lodging and M&IE will be based on assignment location maximum per diem rates.
- e) With LANS Director or designee approval, the settling in period may be extended an additional 60/45 consecutive days, based on compelling reasons (as detailed in Exhibit A). If an extension is granted, the reimbursement for lodging, meals and incidental expenses will not be more than 75% of the approved rate otherwise applicable.

- * Permanent lodging is defined as company provided housing, lodging where the employee has signed a lease or rental agreement that exceeds 120 days in duration, or housing the employee has purchased.

1.6 LOCAL TRANSPORTATION

Actual and reasonable automobile rental costs may be reimbursed, not to extend beyond the arrival of the first privately owned vehicle (either shipped or driven) or **4 weeks**, whichever occurs first. Mileage, gasoline and insurance are **not** reimbursed.

1.7 RESIDENCE RELOCATION ALLOWANCE

SEE EXHIBIT A for an extensive, but not all inclusive, listing of items the Residence Relocation Allowance is intended to cover

The Residence Relocation Allowance is intended to cover miscellaneous expenses associated with discontinuing the pre-departure residence and establishing a residence at the new location. Reimbursement is for a flat amount of \$5,000 to be used for such items as disconnecting and connecting household appliances; vehicle registration; driver's license and use taxes; cutting and fitting rugs, draperies, and curtains; forfeited utility fees and deposits; and purchase of insurance against damage to or loss of personal property while in transit.

1.8 SETTLEMENT OF AN UNEXPIRED LEASE

- a) Reimbursable expenses incurred for settling an unexpired lease or month-to-month rental for residence quarters occupied by the current or newly recruited employee (including college hires) at the old assignment location. This may include broker's fees for obtaining a sublease or charges for advertising an unexpired lease. Such expenses are reimbursable when: Applicable laws or the terms of the lease provide for payment of settlement expenses; Such expenses cannot be avoided by sublease or other arrangement; The employee has not contributed to the expense by failing to give appropriate lease termination notice promptly after they had definite knowledge of the transfer; and Broker's fees or advertising charges are not in excess of those customarily charged for comparable services in that locality.
- b) Itemization of these expenses is required and the total amount shall be submitted separately. Documentation showing that the expense was in fact incurred and paid by the employee must support each item.
- c) The settlement dates for lease termination transactions for which reimbursement is requested must occur no later than 2 years after the effective date of the employee's hire date or transfer to the new assignment location.

1.9 SALE OF PRINCIPAL RESIDENCE**SEE EXHIBIT B for limits and examples of covered costs**

- a) A principal residence is the residence owned by the current or newly recruited employee (including college hires) at the time they are officially notified of their transfer or hire.
- b) Closing costs (i.e., brokerage fees, legal fees, appraisal fees, VA/FHA points, etc.) incident to the disposition of actual principal residence owned by the current or newly recruited employee when notified of transfer or relocation are reimbursed, except that these costs when added to duplicate homeowners costs are subject to a dollar and percentage limitation.
 - 1) No advance of funds is authorized in connection with the sale of a residence.
 - 2) The settlement dates for the sale and purchase transactions for which reimbursement is requested must occur no later than **2 years** after the effective date of the employee's transfer to the new assignment location.
- c) Incentive for Private Home Sale: As an alternative to Sale of Principal Residence reimbursement, an Incentive for Private Home Sale may be elected. Use of the Incentive for Private Home Sale forfeits the use of Sale of Principal Residence Reimbursement and Duplicate Homeowners Reimbursement. (See Exhibit B).

1.10 DUPLICATE HOMEOWNER EXPENSE**SEE EXHIBIT B for limits and examples of covered costs**

- a) Continuing costs of ownership of the vacant former principal residence (as defined in section 1.09 a) being sold, such as maintenance of building and grounds (exclusive of fixing up expenses), utilities, taxes, property insurance, mortgage interest, after settlement date or lease date of new permanent residence.
- b) Allowable for a period of up to six months.
- c) This category of costs is not reimbursable during the settling-in period.

1.11 PURCHASE OF A NEW RESIDENCE**SEE EXHIBIT B for limits and examples of covered costs**

- a) LANS will reimburse costs incident to acquiring a home in a new location for current employees or newly recruited employees (including college hires) who, before the relocation, were homeowners of their current principal residence when notified of transfer, provided the following apply:
 - 1) The new work assignment is at least fifty miles farther from the prior principal residence than was the prior work assignment.
 - 2) The prior principal residence does not have to be for sale.
- b) No advance of funds is authorized in connection with the sale or purchase of a residence.
- c) The settlement dates for the sale and purchase transactions for which reimbursement is requested must occur no later than **2 years** after the effective date of the employee's transfer to the new assignment location.

1.12 SPOUSAL EMPLOYMENT ASSISTANCE

LANS will reimburse actual expenses up to \$1,000, for job search and certification expenses for spouse or registered domestic partner. Only expenses incurred for initial employment in the new location are eligible for reimbursement. Employee must submit expenses along with original receipts for reimbursement of expenses. Reimbursable items include; Employment Agency fees, certification fees, testing fees, resume preparation, printing and mailing. Any reimbursable expenses in excess of \$1,000, but less than \$5,000, may be authorized by LANS President or designee.

1.13 OTHER PROVISIONS

- a) LANS Director or designee and the appropriate partner company representative may approve reimbursement in excess of these relocation policy allowances. Exceptions granted to this LANS Relocation Policy which are not authorized by the Contracting Officer will be a LANS non-reimbursable cost.
- b) **Payback Provision: Employees who resign for reasons within their control, are transferred at their own request, or are terminated for cause within twelve months of their payroll start date, or the date of their permanent transfer for which relocation benefits were awarded, will be required to repay LANS the amount received for relocation including tax assistance.**
- c) Charges for travel and relocation will be consistent with LANS charging practices.
- d) The effective date of employment for new employees will be the day the employee reports to work. No salary will be paid during en route travel.
- e) Reimbursement of relocation expenses will cease upon termination of employment.
- f) The maximum time for sale and purchase transaction settlements for which reimbursement is requested shall not exceed two years from the effective date of the employee's transfer or hire date at the new location.
- g) Reimbursement of relocation expenses for permanently transferring and new employees must begin within six months from the effective date of transfer or the date of hire. Claims for reimbursement of relocation expenses must be submitted within 6 months of the date expenses incurred.

1.14 EMPLOYEE INCOME TAX IMPLICATIONS

- a) LANS is required to include certain relocation reimbursements in an employee's taxable income reported to the tax authorities. Relocating employees are responsible for filing their own tax returns and are advised to consult with their own tax advisors on these matters.
- h) In addition, IRS rules require that all travel/moving advances not accounted for within **120** days become gross income to the employee subject to federal tax withholding. It is important for transferees and new hires to submit expense reports in a timely manner.
- c) LANS will provide employees tax assistance reimbursements to offset taxes withheld on relocations expenses. The reimbursement payment will be based upon standard reimbursement rates and therefore, will not be an exact match of actual taxes withheld.

There are certain to be situations not specifically addressed in this policy where further guidance is necessary. Employees are encouraged to consult with their travel expense approver or Human Resources as may be appropriate before incurring expenses of which the employee is unsure. These resources will help the employee document the reasonableness and business need for an expense and secure the appropriate approval if one is required.

APPROVALS

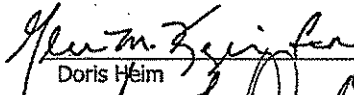
Human Resources, Division Leader


Mary O'Donnell

February 7, 2006

Date

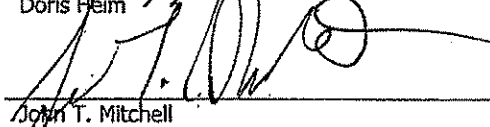
Associate Director, Business Systems


Doris Heim

February 7, 2006

Date

Deputy Laboratory Director


John T. Mitchell

February 7, 2006

Date

Laboratory Director


Michael R. Anastasio

February 7, 2006

Date

EXHIBIT A – APPROVED RATES AND ALLOWANCES – LONG TERM**ADJUSTED LODGING, MEALS & INCIDENTAL AMOUNTS**

Amounts will be adjusted according to the following schedule for permanently relocating employees and family members:

Family Members	Portion of Lodging, MI&E Allowed ¹	
	House hunting ⁴ , En Route and first 60/45 days of Settling-In ²	Extension of Settling-In beyond 60/45 days ³
Employee	100%	75%
Spouse or Registered Domestic Partner traveling with employee	75%	50%
Spouse or Registered Domestic Partner traveling without employee	100%	75%
Family member 12 years or older	75%	50%
Family member younger than 12 years	50%	40%

¹ The lodging rate is based upon quantity of rooms needed. Additional number of family members does not increase lodging rate unless there is a need for more than one room.

² If longer-term lodging is obtained at any point in time during the Settling-In period, the per diem rates stop.

³ Extension of Settling-In: The LANS Director or designee may authorize up to **60** additional consecutive days (45 additional days for spouse, domestic partner or immediate family members) beyond the original 60/45-day allowance when there are compelling reasons beyond the employee's control. Examples include, but are not limited to, the following: shipment and/or delivery of household goods to new residence is delayed due to extended transit time incident to strikes, customs clearance, hazardous weather, fires, floods, or other acts of God, or similar events. New permanent residence cannot be occupied because of unanticipated problems (delays in settlement on new residence, short-term delay in construction of a new residence, etc.). Inability to locate long term/permanent residence that is adequate for family needs because of housing conditions at the new official location. Sudden illness, injury, or death of employee or immediate family member.

⁴ House hunting trips expenses reimbursed for employee and spouse or domestic partner only.

SETTLING-IN PERIOD

The period of consecutive days may be interrupted for the time that is allowed for travel between the old and new locations; for circumstances attributable to official necessity as, for example, an intervening short term assignment, a business trip, or for non-official necessary interruptions such as hospitalization, approved sick leave, or other reasons beyond the employee's control and acceptable to LANS.

When computing the length of time allowed for settling-in, the time period will begin for the employee and all members of the immediate family when either the employee or any member of the immediate family begins the period of use of such quarters for which a claim for reimbursement is made. The time period shall run concurrently for the employee and all members of the immediate family. The period of eligibility shall terminate when the employee or any member of the immediate family occupies long term residence quarters, when household effects are delivered to a residence, or when the authorized period of time expires, whichever occurs first.

Occupancy of temporary quarters for less than a whole day constitutes one full calendar day of the eligibility period.

EXHIBIT A – CONTINUED**SHIPMENT/TEMPORARY STORAGE OF HOUSEHOLD EFFECTS**

Weight and time limits	Long Term Assignment
Shipment	18,000 pounds
Storage In Transit	Temporary storage at destination only in connection with shipment above
Storage period	90 days*

*The initial 90-day period may be extended an additional period not to exceed 90 days under certain conditions. Justification for an additional storage period may include, but is not limited to: an intervening short term duty or longer-term training assignment; shipment and/or delivery of household goods to new residence is delayed due to extended transit time incident to strikes, customs clearance, hazardous weather, fires, floods, or other acts of God, or similar events. New permanent residence cannot be occupied because of unanticipated problems (delays in settlement on new residence, short-term delay in construction of a new residence, etc.). Inability to locate long term/permanent residence that is adequate for family needs because of housing conditions at the new official location. Sudden illness, injury, or death of employee or immediate family member.

Unsuitable items for shipment: Unusually bulky items for shipment include but are not limited to the following: cars, trucks, vans and similar motor vehicles; boats; airplanes; large satellite dishes; farming vehicles; camper trailers; live animals; cordwood and building materials; and perishable articles including frozen foods. Snowmobiles and vehicles with two or three wheels (e.g., golf carts, motorcycles, riding lawnmowers and mopeds) may be shipped as household goods; however, any extra charges assessed by the movers for these items will be the responsibility of the employee.

APPROVED MILEAGE RATES

Use of privately owned vehicle (IRS approved rate)	44.5¢/mile
Reduced rate for second vehicle	22¢/mile
Additional mileage allowance for mobile home trailer*	11¢/mile
Recreational vehicle*	51¢/mile

*If used as principal residence.

EXHIBIT A – CONTINUED**RESIDENCE RELOCATION ALLOWANCE**

The \$5,000 Residence Relocation Allowance is intended to cover miscellaneous expenses associated with discontinuing the pre-departure residence and establishing a residence at the new location. The following is an extensive, but not all inclusive, listing of items the Residence Relocation Allowance is intended to cover.

Connecting/Disconnecting Household Appliances
Vehicle Registration
Driver's License and use taxes
Cutting and fitting rugs, draperies, and curtains
Forfeited Utility Fees
Utility Deposits, installations, and hook-up fees
Deposits, installation and/or hook-up fees for items such as cable television and high speed internet
Purchase of insurance against damage to or loss of personal property while in transit
Forfeited Cleaning Deposits
Maintenance of building and grounds during settling-in period
Cleaning of residence, including carpet and draperies
Costs for newspaper advertisements for sale or lease of property
Re-keying of locks
Pest control fees
Use of rental vehicle or local moving company to move household goods from temporary housing to permanent residence
Post Office Box rental
Tax Counseling
Loss on sale of vehicle
Shipment of house pets
Purchase of items at new location not allowed to be shipped from pre-departure location
Telephone calls to real estate agents/brokers
Forfeiture losses on medical and/or dental contracts
Forfeiture on contracts for private institutional care
Forfeiture for losses on contracts for cell phones, athletic clubs, etc.
Use of rental car at pre-departure location due to shipment of privately owned vehicle

EXHIBIT B – APPROVED RATES AND ALLOWANCES – LONG TERM
 (SALE OF PRINCIPAL RESIDENCE, DUPLICATE HOMEOWNERS EXPENSES, AND PURCHASE OF A NEW RESIDENCE)

The following costs for the sale of principal residence and duplicate homeowner expenses may be reimbursed, subject to a cap of **14%** of the sales price of the old residence.

Sale of Principal Residence (Closing Costs):

Brokerage Fees/Commissions

Legal/Attorney/Notary Fees

Settlement/Closing Fee

Document Preparation/Review Fees

Recording Fees

Survey Fees

VA Discount Points

Appraisal Fees

Mortgage Pre-Payment Penalty

Title Abstract Fees (search and examination)

FedEx/FAX/Courier/Postage Charges

Inspection Fees (structural, pest, asbestos, radon gas, etc. – if local custom dictates that the seller pay)

Transfer Tax/Fee imposed on the seller by law and/or common practice in the state of sale

FHA Discount Points (subject to a separate cap of 6% of the sale price, also to be included in the pool of costs subject to the 14% limit)

Incentive for Private Home Sale

Reimbursement of up to 5.0% of Sale Price. Itemized HUD or Title Transfer documents required. Use of Incentive for Private Home Sale **forfeits** the use of Sale of Principal Residence Reimbursement and Duplicate Homeowners Reimbursement. Home Sale Incentive is not eligible for tax assistance.

Duplicate Homeowners Expenses (After Settlement or Lease Date of New Residence):

Maintenance of Building and Grounds

Utilities

Property Taxes

Property Insurance

Mortgage Interest

The following costs are not reimbursed:

Loss on Sale

Mortgage Principal

Property Management Fees (rental agency)

Property Improvement (fix-up) Expenses

Home Warranty

Purchase of a New Residence: see next page for list of reimbursable costs associated with the Purchase of a New Residence.

Purchase of a New Residence: The following costs may be reimbursed, subject to a cap of 5% of the purchase price of the new residence. Immediate prior home ownership is a pre-requisite.
Loan Origination/Funding Fees
Credit Report Fees
Settlement/Closing Fee
Document Preparation/Review Fees
Recording Fees
Survey Fees
Title Abstract Fees (Search and Examination)
FedEx/FAX/Courier/Postage Charges
Tax Service Fees/Flood Certification Fee/Loan Processing Fee
Underwriting Fees/Plan Review Fee
Title Insurance (Lender's Mortgage Coverage)
Appraisal Fees
Tax Stamps
Impact Fees
Legal/Attorney/Notary Fees (not including any cost of litigation.)
Inspection Fees (structural, pest, asbestos, radon gas, etc. - If local custom dictates that the buyer pay)
Title Insurance (owner's coverage - only if carried by the employee on the old residence)
Transfer Tax/Fee imposed on the buyer by law and/or common practice in the state of purchase
The following costs are not reimbursed:
Title Insurance (owner's coverage - if not carried by the employee on the old residence)
Loan Discount Points/Discount Fees/Buy-Down Fees
VA Discount Points
FHA Discount Points
Litigation Costs
Property/Mortgage Insurance Costs
Taxes
Real estate brokers fees and commissions
Home Warranty